



FY 2025 Budget Request

JUNE 20, 2023

Budget Overview

	Expended (est) <u>FY 2023</u>	Received <u>FY 2023</u>	Received <u>FY 2024</u>	Request <u>FY 2025</u>	<u>% change</u>
PERSONAL SERVICES					
Total FTEs	32.10	35.00	35.00	35.00	
Total Base Compensation	7,209,212	8,887,966	9,259,883	9,462,596	2.19%
Total Investment Performance Incentives	7,166,737	13,283,573	16,429,394	16,641,844	1.29%
Total Personal Services	14,375,949	22,171,539	25,689,277	26,104,441	1.62%
OPERATING EXPENSES					
Contractual Total	2,017,463	2,454,980	2,649,284	2,901,347	9.51%
Travel	31,313	86,431	86,431	86,431	0.00%
Office Supplies	2,848	7,000	7,000	5,000	-28.57%
Capital Assets	56,299	40,520	40,520	40,520	0.00%
Total Operating Expenses	2,107,924	2,588,931	2,783,235	3,033,298	8.98%
TOTAL BUDGET	16,483,872	24,760,471	28,472,513	29,137,739	2.34%
UNIT COST SUMMARY *					
Internal Expenses as % of Total Adjusted Assets			0.100%	0.100%	
Total Expenses as % of Total Adjusted Assets			0.335%	0.335%	

* Unit cost based on total assets adjusted to long-term value, expenses using assumed average investment performance incentives, long-term average of retirement & resignation flexibility funds, and an assumed 2.5% salary policy for FY25.

Personal Services Budget

PERSONAL SERVICES	Expended (est) <u>FY 2023</u>	Received <u>FY 2023</u>	Received <u>FY 2024</u>	Request <u>FY 2025</u>	% change
Total FTEs	32.10	35.00	35.00	35.00	
Base Compensation					
Base Compensation - Investment Staff	5,481,393	6,494,589	6,694,725	6,897,834	3.03%
Base Comp - Admin, Acct, Legal, Longevity	608,412	739,095	794,708	816,044	2.68%
TOTAL STAFF - FULL TIME	6,089,805	7,233,684	7,489,433	7,713,878	3.00%
Part-Time - Legal & Interns	69,152	89,429	97,005	40,949	-57.79%
Investment Council	2,475	7,197	7,927	7,927	0.00%
Retirement & resignation flexibility funds	0	189,989	203,288	203,288	0.00%
Benefits	1,047,779	1,367,668	1,462,228	1,496,554	2.35%
Total Base Compensation	7,209,212	8,887,966	9,259,883	9,462,596	2.19%
Investment Performance Incentives					
Maximum Potential Investment Perf Incentive	6,808,774	11,848,483	14,612,825	15,063,132	3.08%
Benefits	357,963	1,435,090	1,816,569	1,578,712	-13.09%
Total Investment Performance Incentives	7,166,737	13,283,573	16,429,394	16,641,844	1.29%
TOTAL PERSONAL SERVICES	14,375,949	22,171,539	25,689,277	26,104,441	1.62%

Operating Budget

	Expended (est) <u>FY 2023</u>	Received <u>FY 2023</u>	Received <u>FY 2024</u>	Request <u>FY 2025</u>
CONTRACTUAL SERVICES				
Investment Services				
Consulting Services	4,500	180,000	180,000	180,000
Investment Accounting, Performance Benchmarking	203,691	175,451	251,377	427,905
Investment Databases, Newsfeeds & Quote Fees	704,032	762,722	802,063	827,100
Investment Research Services	435,831	419,200	450,910	496,179
Flexibility - From Brokerage to Independent Research	0	225,000	225,000	225,000
Total Investment Services (see next page for further details)	1,348,054	1,762,373	1,909,350	2,156,185
Administrative Expenses				
Office Rent	143,950	153,000	168,605	168,605
Bond/Liability Insurance	9,510	8,385	8,385	8,385
Telephone	15,712	18,000	18,000	18,000
Office Equip Rental/Maintenance/Misc	3,613	10,031	7,800	7,800
Bureau of Info & Telecommunications (BIT)	99,109	97,218	111,621	111,621
State Central Services	13,260	14,038	14,828	14,828
Legislative Audit	64,108	60,510	65,351	70,579
Janitorial	0	0	3,682	3,682
Custodial Fees - Global	292,149	293,425	305,162	305,162
Seminars/Educational Programs	27,296	35,000	35,000	35,000
Business Publications	703	3,000	1,500	1,500
Total Administrative Expenses	669,409	692,607	739,934	745,162
TOTAL CONTRACTUAL SERVICES	2,017,463	2,454,980	2,649,284	2,901,347
TRAVEL	31,313	86,431	86,431	86,431
OFFICE SUPPLIES & POSTAGE	2,848	7,000	7,000	5,000
CAPITAL ASSETS	56,299	40,520	40,520	40,520
TOTAL OPERATING EXPENSES	2,107,924	2,588,931	2,783,235	3,033,298

Investment Services Details

<u>INVESTMENT SERVICES-DETAILED</u>	Expended (est) FY 2023	Received FY 2023	Received FY 2024	Request FY 2025	
Consulting Services					
Benchmarking/Compensation	4,500	30,000	30,000	30,000	0.00% no change
Legal Consulting Services	0	150,000	150,000	150,000	0.00% allows flexibility for high yield cons
Subtotal	4,500	180,000	180,000	180,000	0.00%
Investment Accounting, Performance, Benchmarking					
BNY/Mellon Performance & Risk Analysis	7,500	8,000	8,400	8,400	0.00% no change
S&P 1200	17,885	17,364	18,232	19,144	5.00% allows 5% incr from FY 24
S&P 1200 Custom	10,000	10,000	10,000	10,000	0.00% no change
S&P US	15,000	14,700	15,435	16,052	4.00% allows 4% incr from FY 24
FTSE Index	21,370	15,000	20,000	20,000	0.00% sufficient for 5.9% incr per agreement
Cusip Global Services	21,000	23,152	24,310	24,310	0.00% no change
MSCI Index	23,334	1,000	30,000	30,000	0.00% no change-allows incr in 24 & 25
SS&C Portia/Aloha	87,601	86,235	125,000	300,000	140.00% *see below for explanation
Subtotal	203,691	175,451	251,377	427,905	70.22%
Investment Databases, Newsfeeds & Quote Fees					
Bloomberg	126,420	138,200	145,110	145,110	0.00% sufficient for 5% incr from actual FY23
Trade Order Management System	150,000	175,000	183,750	183,750	0.00% no change
Factset	296,739	303,200	324,424	343,889	6.00% 6% incr per contract & adding addtl user
Refinitiv (previously Reuters Fundamental Index)	50,880	49,140	51,597	57,169	10.80% allows 6% incr from actual FY23/24
Quote Fees (incl. Bloomberg/Factset)	39,354	52,182	52,182	52,182	0.00% no change-allows for increased intl live quotes
Dow Jones News Service	40,639	45,000	45,000	45,000	0.00% no change
Subtotal	704,032	762,722	802,063	827,100	3.12%

*Incr due to software migration to Aloha. \$200,000 licensing/hosting & \$100,000 implementation. Will drop to \$210,000 in FY26.

Investment Services Details, cont.

	Expended (est) <u>FY 2023</u>	Received <u>FY 2023</u>	Received <u>FY 2024</u>	Request <u>FY 2025</u>	
Investment Research Services					
GNA Services-Gimme Credit FI Research	14,820	25,000	26,250	26,250	0.00% no change
Credit Sights	175,000	150,000	157,500	196,630	24.84% add Covenant Review Res/allow for 6% incr from 23 actual for 24/25
Reorg Research	101,783	85,000	100,000	110,000	10.00% allows 10% incr from FY 24
Insider Score	28,941	27,850	29,243	31,907	9.11% allows 5% incr from actual 23 for 24/25 per contract
Boyers Intrinsic Value	15,500	18,500	19,425	19,425	0.00% no change
Morningstar	63,000	80,000	84,000	71,000	-15.48% decr-sufficient for 6% incr in 24/25
Steel Market Update	3,100	2,850	2,993	3,483	16.39% allows 6% incr from actual FY23 for 24/25
Value Line	5,000	5,000	5,250	5,250	0.00% no change
Greenstreet	28,688	25,000	26,250	32,234	22.80% allows 6% incr from actual FY23 for 24/25
Flexibility - From Brokerage to Independent Research	0	225,000	225,000	225,000	0.00% Allows unbundling of brokerage research
Subtotal	435,831	644,200	675,910	721,179	6.70%
TOTAL CONTRACTUAL - INVESTMENT SERVICES	1,348,054	1,762,373	1,909,350	2,156,185	12.93%